

United States Department of Agriculture
Agricultural Adjustment Administration

(PRELIMINARY OUTLINE FOR
SMITH-HUGHES REGIONAL
CONFERENCES -- 1938)

WHAT DO YOU MEAN, AAA EDUCATION?

Discussion by Regional Representatives
Division of Information



Let's dispense with the preliminaries this way:

1. You have the responsibility for carrying on vocational education in Agriculture with certain groups.
2. The AAA has the responsibility for carrying out a definite program which is designed to conserve soil resources and to stabilize farm income at fair levels, in part through bringing about production in line with demand, and orderly marketing. One of the necessities of successful administration is to have the public fully informed of the objectives, the program, and the methods which are being used.
3. We know you want to cooperate in presenting to farmers the background and facts about AAA programs. On our part, we want your cooperation, and want to do anything we can to make it most effective.
4. We are all agreed here that we want something more than mutual assurances of good will and approval. So after this statement for the record, let's get down to cases on cooperation in this educational job. Let's talk about who shall do what, when, where, with whom, and how.

We can dispose of how by saying that teaching methods with your groups are your specialty. We stand ready only to help by furnishing such materials in printed or other form as may be thought helpful. Let's take those up later. Who, is everyone who has a part in vocational agricultural education. When, and where should include every appropriate occasion. With whom, farm people first, but not excluding city people, for this is a national program that touches us all.

That leaves to be considered what it is that we are going to call AAA education. Let's survey that job, and discuss it from the standpoint of what parts of it you can effectively help to do, what parts others should shoulder.

The simplest thing that will most surely be included should be a good starting place, so to start discussion, let's put it down here at the bottom of the board, in the position of a foundation stone:

NOTE: References under topic headings are to AAA or other publications bearing on topic. Reference list last page gives titles.

HOW FARMERS
GET PAYMENTS:

1. Fill out a worksheet and file with county office.

This is now being done for all farms. Worksheet gives information about farm necessary to make allotments. Is not a contract, binds no one.

2. Committeemen who handle worksheets have other responsibilities.

Under new Act, farmers in administrative area elect 3 committeemen, and delegate to county convention which chooses county committee. County committee works with county agent, who is non-voting ex-officio member, and may be committee secretary. State committee appointed by Secretary, plus Extension Director, ex-officio member. Present committees, however will finish this year.

3. On recommendation of committeemen, acreage allotments are established.
(EXAMPLE SHEET)

These are established under uniform rules, but with some adjustments to local or individual conditions. They are subject to the total county acreage allotment, which is a proportionate part of a state allotment, in turn a proportionate part of a national allotment. A total soil-depleting allotment is made, which includes separate allotments for special crops, such as cotton, tobacco, commercial peanuts, commercial potatoes. The rest of the total soil-depleting acreage allotment may be used for general crops.

4. Committee also informs farmer of maximum payment he can earn.

This is determined by a uniform rule, based on crop acreages, productivity, and similar factors.

5. Committee also gives farmer a soil-building goal of so many units of soil-restoring farming practices.

This is determined by a uniform rule, 2/3 number of dollars in maximum payment. Practices approved are listed in regional or state bulletin. Those most needed on particular farm, and practicable, will be stressed. (Wide opportunity here for teaching good practices.)

BULLETIN,

SRAC-1
SRAC-2

6. Full performance earns full payment.

BULLETIN,

If the farmer plants within his soil-depleting acreage allotments, and accomplishes his soil-building goal, he gets full payment; if he overplants, or fails to reach the soil-building goal, he is eligible for partial payment determined by a uniform scale of deductions.

7. Provisions for small producers.

BULLETIN,

Any payment under \$200 is increased, beginning with a 40 percent addition to a payment under \$20, tapering off until \$14 is added to a \$186 payment. Landlords may not reduce numbers of tenants merely to secure larger payments. Payments may be assigned only to secure advances for producing the year's crop.

8. Application for grant is made.

BULLETIN,

This is a statement that conditions under which grant is offered have been met, request for payment. When audited, the treasury department sends a check in payment, for distribution through the county office.

9. Proof of performance.

BULLETIN,

Strict proof money was earned is required. Supervisors check fields against maps made either on the ground or from the air, and report the acreages of soil-depleting crops and the units of soil-building goal accomplished.

10. How this fits in with the marketing quota plan.

S. C. & D. A. ACT
AAA of 1938
G-83

The part of the program we have been talking about is called the Agricultural conservation program and will go ahead, with payments made to participating farmers, whether or not marketing quotas are applied to any or all of the crops affected by quotas--cotton, corn, wheat, tobacco and rice. Allotments under the Agricultural conservation program are in acres which must not be overplanted if full payment is to be received. Marketing quotas, if applied, are in quantities which may be marketed free of penalty.

11. How marketing quotas are determined.

AAA of 1938
G-83
FB-1774

When supply of commodity becomes excessive, Secretary is directed to proclaim national marketing quota, which is amount needed during the current or next marketing year to keep supplies at about the reserve supply level, which is an amount, ample for domestic consumption and exports, with a reserve.

12. Producers vote on quotas.

AAA of 1938
G-83

Marketing quotas will not be effective unless they are approved by a two-to-one majority of producers voting. (They are effective for only one marketing year.)

13. How individual farm marketing quotas are determined.

AAA of 1938
G-83

The state is given its proportionate quota. This is divided among counties. Then the farmer committeemen recommend individual farm quotas under uniform rules which take into account the farm's usual marketings, equipment, soil, and people on the farm, with special consideration for "little producer."

14. How penalties are applied.

AAA of 1938
G-83

If more than farm's quota is marketed, penalties are collected from buyer. May be deducted from what he pays the farmer.

15. Connection between quotas and acreage allotments.

G-83

Generally speaking, if yields are normal and farmers plant within their acreage allotments, their production will be about in line with their marketing quotas. In case of cotton, the marketing quota is whatever poundage of cotton is produced on the allotted acreage.

16. How loan provisions fit in with Agricultural conservation program and quotas.

AAA of 1938
G-83

Loans (through Commodity Credit Corp.) may be made on any agricultural commodity. Under certain conditions of low price or excessive supply, loans are directed to be offered on cotton, wheat, and corn, in certain proportion to parity price for cooperators, and for non-cooperators at a lower proportion and against only the excess of non-cooperators crop. If quotas have been rejected by wheat, cotton, corn or rice producers, no loans can be made that year on these crops.

17. Parity payment provisions.

AAA of 1938

G-83

G-48

If and when appropriations are available, payments on normal production of cotton, rice, wheat, corn, tobacco are directed so as to bring return nearly as possible to parity.

18. Soil-depleting crops

BULLETIN,

Crops which usually remove much fertility from the soil, or the growing of which usually exposes the soil to erosion, or both, are called soil-depleting. Generally speaking, they are "cash crops".

19. Soil exhaustion a threat to:

(a) The individual farmer.

(b) The business community.

(c) The Nation as a whole.

(a) No farmer is richer than his soil.

(b) No community is richer than its wealth-producing resources.

(c) Lost soil and fertility eventually mean smaller supplies of food and fiber at higher costs to whole population, but without more income to farmer.

(d) It's wiser and cheaper to pay the cost of preventing soil loss now than to lose it first, and then pay for it anyhow.

NOTICE

THAT ABOUT G-62

HERE WE FB-1774

HAVE BEGUN G-77

TO TALK

ABOUT WHY Soil, the Nation's Basic

A PROGRAM Heritage - TVA & Land Grant

INSTEAD OF Colleges in Area

HOW IT

WORKS.

20. Changes in land utilization.

STATE PUBLICATIONS

Soil, the Nation's Basic Heritage

G-67

G-62

G-54

FB-1774

Farming practice and experiments have demonstrated that certain crops and practices retard erosion. Some crops and practices, such as use of legumes assisted by minerals, tend to keep up productivity by restoring nitrogen and humus to soils. Fertilization, liming, legumes, terracing, pasture development, use of forest crops, approved for soil-building goals, are familiar subjects.

21. Why more farmers don't utilize land properly.

STATE PUBLICATIONS

G-77

Proceedings, National Conference on Land Utilization, 1931. (Supt. of Documents)

G-67

Inertia, lack of knowledge, doubtless play parts. But part of the reason is also economic pressure - the necessity of using land for cash crops in attempt to keep up volume of income when prices periodically slump; or the urge to grasp profits when prices periodically rise to abnormal peaks.

22. Adjustments in crop and livestock production.

Proceedings, National Conference on Land Utilization

FB-1774

G-31

Some shifts probably desirable from the long-time standpoint of soil use and needs for consumption.

23. Domestic consumption needs

FB-1774

Non-Agri. Income as a Measure
of Domestic Demand--(Bean, Bollinger
& Wells) AAA

In terms of acres, country used about 2.02 acres per person in 1920-25; about 2.05 in 1925-30, and 1.95 in 1930-35 for food and fiber. Dietitians say if lower incomes could be raised to adequate-diet levels, total per capita food consumption would rise about 10 percent over 1920-29 level. If only major deficiencies corrected, 5 percent. Population of 130 million will require about 265 million acres at 1920-29 level, plus 40 million acres for 14 million work stock, a total of 305 million acres. Farm plant is 365 million acres, 60 million excess of domestic consumption.

24. New uses for farm products

AAA of 1938

Important questions here are how soon can these become effective, and what prices can they afford to pay. Neither encouraging for short-time outlook, yet hope progress will continue; four regional laboratories under new Act.

25. Increasing domestic consumption.

FB-1774

Economic Bases For The
Agricultural Adjustment Act.
(Ezekiel & Bean) USDA

Non-Agri. Income as a Measure
of Domestic Demand

G-73

G-77

Factory payrolls and farm income go up and down together. Farmers producing higher quality foodstuffs - dairy products, meat, fruits, vegetables, probably get quickest gain from high stable employment and wage levels, but staple producers would gain also. However, lower prices on excessive production have not usually meant increased abundance to consumers; on the contrary, breadlines were longest when farm prices were lowest. Questionable if it is farmer's responsibility to provide cheap abundance at cost of his own family's living, using up of his farm, or foreclosure.

26. Increasing farm exports.

Proceedings of Nat'l. Conference on
Land Utilization.

G-72; DS-4; G-26; FB-1774; G-36;
G-45; G-67; G-57; G-42(rev.)

Foreigners have in past taken important parts of U.S. farm production. (See table p. 15 FB-1774) as long as they could buy from us, settling our debts, or using credit we extended. Restoration of their own agriculture, nationalism, our tariffs have reduced and in some cases almost eliminated our trade, and prospects for quick resumption of substantial volume so far not encouraging.

27. How our tariffs affect agricultural markets.
DS-4; G-26; FB-1774; G-45; G-57; G-42(rev)
Our high tariffs make it difficult or impossible for other nations to sell us goods, therefore to have money to buy from us. They encourage retaliation, nationalism. They put higher costs upon production in this country of farm goods that must nevertheless be sold at world prices.
28. Efforts to revive foreign trade.
DS-15; FB-1774; G-51; G-59; G-45; G-26; DS-4
Trade agreements program has made some progress along this line, probably can do much more for agriculture's markets, both at home and abroad.
Progress of the Trade Agreements Program to Date (3/1/37)
State Department
29. Supply and demand for agricultural products.
G-83; FB-1774; G-67; G-20
Non-Agricultural Income as a Measure for Domestic Demand.
Demand relatively rigid, supply relatively elastic, easily stretches beyond effective demand, in disaster occasionally falls short. Agriculture's production policy has almost always been to push capacity to utmost.
Economic Bases for the AAA
30. Effect of production policy on agricultural prices.
Over-abundant production has usually been penalized by low prices, low net income.
31. Industry's usual production-price policy.
G-47; G-44
Industry usually produces no more than can be sold at relatively good prices. This has meant periodic unemployment, slashes in wages, factory shutdowns, relative scarcity - compared to farm products - of the goods which industry produces and which farmers and others must buy.
32. How industry maintains this policy.
G-47; G-44 (Supply exhausted)
As compared with agriculture, industry has enjoyed certain advantages, such as corporate organization, concentration of control, patent rights, franchises, tariffs.
33. Farm purchasing power.
G-58
Economic Bases for the AAA
G-73
Eventually, unemployment is increased, wages lowered, when farm buying power is out of balance with that of other groups.

34. Measure of Farmers' fair share of national income. Parity income may serve as long-time goal, with the device of parity price as a useful short-time objective in order to bring it about.
DSL; G-48; G-73
Economic Bases for the AAA
FB-1774; G-83; G-20; G-76
35. Stabilizing farm income in balance. Increased balanced abundance --- on both sides of the agricultural-industrial scale-- the objective.
G-47; G-44; FB-1774; G-76

SUMMARY

There are doubtless a good many different ways of looking at the agricultural adjustment program. One way might be as a dole to farmers. Another might be as a government program to "do something for" a depressed class. But agricultural adjustment is, to most of us, much more an effort by farmers, through and in cooperation with their government, to serve the general welfare by (1) conserving the soil, most basic of our national resources, and (2) by equalizing the national purchasing power with agriculture's share fair in proportion to other shares.

If this is so, the AAA program itself is seen as one of the tools, or implements, or techniques by which we are seeking to make this effort effective.

There are two most important questions to be answered for farmers and for the general public about the AAA program. They are How? and Why?

Answering the first involves explanation of the mechanics, the procedure, of the program. How does a farmer get payments? How does a marketing quota operate? How do loans operate? These are questions and answers of immediate individual interest to the farmer.

The mechanics and procedure of the program are in the hands of the farmer committeemen, Extension Service workers and AAA officials who share the direct administrative responsibility. From these people come the answers to how the rules of the program apply to a specific case. So let us say that answering How? is a part of AAA education, an always-immediate, short-time objective.

Inseparable from How? is the question Why?

Why does the farmer get this payment? Why do we have a national farm program, of which AAA is, of course, only one part? These are questions as broad as the general welfare, as long as the life of mankind, and as complex as modern civilization.

Here is an educational job that may change in detail, but that will go on in principle indefinitely. So let us say that we have also a long-time objective of AAA education - to understand the broad problems that cover all of agriculture as a part of the economic and social organization we live in. These are national problems not because they are remote from an individual farm family; on the contrary, they are national because of the very fact that they do affect the welfare of so many individual farms and farmers and so affect all of us.

When we have studied the problems that the question Why? brings us up against and determined a plan or policy, then we become interested again in How? for workmen must know their tools and how to use them to build what their plan calls for. And the business of bases, allotments, committees, worksheets, maps, measurements, performance, are simply the implements and the methods for making the plan effective. The people who are responsible for handling the tools are those who are in best position to explain their use.

No part of this will stand alone as "education" while the rest is ignored or called something else.

The job is big enough to be a challenge to every agricultural educational agency. There is a share in it for every one to do. Some will work with one group, some with other groups. Some will stress certain parts of this whole job because those parts lie closest to the interests of the local people. Different teaching methods will be used. But wherever, with whomever, and, however it is done, whoever is doing it needs to have in mind the whole philosophy of this adjustment movement. And he needs to present it so that it will be understood as a whole.

REFERENCE LIST

- Agricultural Adjustment Act of 1938
State or Regional ACP Bulletin
The Farmer Looks Ahead. FB 1774
Effect of Summer Soil Conserving Crops on Yields of Other Crops. SRAC-1
Effect of Winter Soil Conserving Crops on Yields of Other Crops. SRAC-2
*Soil, The Nation's Basic Heritage
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Non-Agricultural Income as a Measure of Domestic Demand. (Bean, Bollinger, Wells)
Economic Bases for the Agricultural Adjustment Act.
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*Proceedings of the National Conference on Land Utilization (Nov. 19-21, 1931)
 for sale by Sup't. of Documents, Gov't. Printing Office.
What Should Be The Farmers' Share in The National Income DS-1
Exports and Imports. DS-4
Reciprocal Trade Agreements DS-15
*Progress of the Trade Agreements Program to Date. (3/1/38) State Dept.
G-Series (General) Publications by AAA, Division of Information
G-20 -- Achieving a Balanced Agriculture.
G-26 -- Agriculture's Interest in America's World Trade.
G-30 -- Underconsumption of Goods, A Challenge to the Nation.
G-36 -- The Drought and Current Farm Imports.
G-42 -- (Rev.) - Facing the Facts in the Agricultural Situation.
G-44 -- Industry's Production Policies and the Farmer. (exhausted)
G-45 -- America Must Choose Its Course in Foreign Trade.
G-47 -- Administered Price and Market Price.
G-48 -- Agriculture's Share in the National Income.
G-51 -- Farmers and the Export Market.
G-54 -- Soil Conservation, Its Place in the National Agricultural Policy.
G-58 -- Farm Buying and Industrial Recovery.
G-59 -- Farm Imports and National Prosperity.
G-62 -- Agricultural Conservation: A National Farm Policy.
G-65 -- Producer Goals and Consumer Goals.
G-67 -- Do We Want to be Farmers?
G-70 -- Agricultural Stability and Business Stability.
G-72 -- What About Wheat in 1938?
G-73 -- City Pocketbooks and the Farmer.
G-76 -- Farm Solidarity.
G-77 -- Agricultural Conservation in 1938 - Why?
G-78 -- Charting the Course for Cotton.
G-79 -- The Dairyman's Place in Farm Solidarity.
G-80 -- The Ever-Normal Granary: What Can It Do for the Corn Belt and the Nation?
G-81 -- A National Program for Wheat.
G-82 -- What Is the Cotton Situation?
G-83 -- The New Farm Act: A Short Summary.

* - Not issued by AAA Division of Information, source indicated. All others may be obtained through Regional Contact Section, Division of Information, AAA, subject to available supplies. New Publications will be sent, as issued, to vocational agricultural workers.